

DIRECTIVE

WELFARE-TO-WORK

Number: WD99-5

Date: June 7, 1999
69:75:va:2769

TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
WELFARE-TO-WORK 15 PERCENT SUBGRANTEES
COUNTY WELFARE DEPARTMENT DIRECTORS
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
EDD EXECUTIVE STAFF
WORKFORCE DEVELOPMENT BRANCH STAFF

SUBJECT: PROCUREMENT **(INACTIVE)**

EXECUTIVE SUMMARY:

Purpose:

This directive provides combined state and federal guidance regarding the procurement of goods and services by entities receiving Welfare-to-Work (WtW) grant funds. These entities include: Service Delivery Areas (SDA) who receive formula funds and their subrecipients; and 15 Percent subgrantees and their subgrantees.

Scope:

This directive requires that SDAs, subrecipients, and subgrantees shall comply with federal and state procurement regulations and policies.

Effective Date:

This directive is effective upon release.

REFERENCES:

- Title 20 Code of Federal Regulations (CFR) Welfare-to-Work Grants Interim Rule Sections 645.230(a)(1) and (2), 645.230(d) through (g), 645.300(b)(1)(i)
- Title 29 CFR Part 97 Section 97.36
- Title 29 CFR Part 95 Sections 95.40 through 95.48

STATE-IMPOSED REQUIREMENTS:

This directive contains some state-imposed requirements. These requirements are indicated by ***bold, italic*** type.

FILING INSTRUCTIONS:

This directive finalizes Draft Directive WDD-6, issued for comment on May 6, 1999. Retain this directive until further notice.

BACKGROUND:

The WtW Grants Interim Rule, Title 20 CFR Part 645 provides guidance regarding procurement and refers subrecipients and subgrantees to additional regulatory sites, Title 29 CFR Part 95 for institutions of higher education, hospitals and other non-profit and commercial organizations, and Part 97 for states and local governments. These documents refer to recipients; a recipient is any entity receiving an award of federal funds. While the format and wording vary slightly, the intent of the federal government is consistent: procurement policies must ensure free and open competition and must secure the best possible price.

POLICY AND PROCEDURES:

Definitions:

Small purchase means the acquisition of goods or services that do not cost more than \$25,000 in the aggregate (Title 29 CFR Section 97.36(d)).

General Provisions:

The following provides information regarding the salient points of the federal policies. However, each recipient and subrecipient is responsible for complying with all of the applicable federal requirements. Recipients and subrecipients must have written procedures that include, but are not limited to the following:

- A code of conduct for employees conducting procurements, including criteria regarding conflict of interest;
- Selection procedures for procurement transactions;
- Different types of procurement including when and how to use them;
- Requirements for a price or cost analysis; and
- Limited conditions under which a sole source procurement may occur.

Documentation:

Each procurement must be documented. The examples of acceptable documentation by type of procurement are as follows:

- Small purchases: sales receipt, current catalogs with price lists, or formal quotes depending on the amount of the purchase.

- Sealed bids: the reason for selecting this method, the request for bid, the bids received, the reason for the selection, and the award document.
- Competitive proposals: the reason for selecting this method, the solicitation, the proposals received, the scoring criteria and the scores assigned, the reason for the selection, and the award document.

Regardless of the amount of the award, all subrecipients and subgrantees shall certify to a Drug Free Workplace. All awards to subrecipients and subgrantees in excess of \$100,000 shall certify that no funds shall be used for lobbying. For contracts or awards exceeding \$25,000, the vendor, subrecipient or subgrantee, shall provide a debarment certification.

ACTION:

Bring this directive to the attention of all affected staff and subrecipients or subgrantees.

INQUIRIES:

Please direct inquiries about this directive to your assigned program manager at (916) 654-7799, or Jean Cole of the Policy Unit at (916) 654-8284.

/S/ BILL BURKE
Assistant Deputy Director